

AMENDED IN ASSEMBLY APRIL 1, 2014

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

ASSEMBLY BILL

No. 2654

Introduced by Assembly Member Quirk-Silva

February 21, 2014

An act to ~~amend Section 17004 of~~ *add Sections 19548.6 and 19585* to the Revenue and Taxation Code, relating to taxation.

LEGISLATIVE COUNSEL'S DIGEST

AB 2654, as amended, Quirk-Silva. ~~Personal income taxes. Personal income tax return: disclosure of information: postsecondary education financial assistance eligibility.~~

Existing law establishes the Franchise Tax Board and prescribes its various powers and duties regarding, among other things, the administration of state personal income taxes. Existing law provides that it is a misdemeanor for the Franchise Tax Board or specified state employees to disclose or make known any information in a return, report, or document filed under the Administration of Franchise and Income Tax Laws, but authorizes the Franchise Tax Board to disclose this information to specified agencies for specified purposes. Existing law establishes the Student Aid Commission as the primary state agency for the administration of state-authorized student financial aid programs available to students attending all segments of postsecondary education.

This bill would authorize the board to revise the form of the personal income tax return to include a space labeled "Postsecondary Education Financial Assistance Eligibility" to allow a low- or moderate-income person who is the parent or legal guardian of a pupil between 16 and 18 years of age, inclusive, and a low- or moderate-income person between 18 and 25 years of age, inclusive, to designate on the tax return

that the board may disclose specified tax information to the commission. If the specified person designates that the board may disclose this tax information, the bill would authorize the board to release this information to the commission, as specified. The bill would authorize the commission to use this tax information to determine if a person is potentially eligible for financial assistance under the Cal Grant Program, the federal Pell Grant program, and the Middle Class Scholarship Program, and to notify the potentially eligible person that the person may be eligible for these financial assistance awards, as specified.

By expanding the scope of a crime, the bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

~~The Personal Income Tax Law defines a taxpayer for purposes of that law.~~

~~This bill would make technical, nonsubstantive changes to that definition.~~

Vote: majority. Appropriation: no. Fiscal committee: ~~no~~-yes.
State-mandated local program: ~~no~~-yes.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 19548.6 is added to the Revenue and
- 2 Taxation Code, to read:
- 3 19548.6. (a) (1) The Franchise Tax Board may disclose to
- 4 the Student Aid Commission, returns or return information,
- 5 described in paragraph (2) in the records of the Franchise Tax
- 6 Board, of persons who authorize the Franchise Tax Board to
- 7 disclose the information pursuant to subdivision (b) of Section
- 8 19585, to determine eligibility of a person for financial assistance
- 9 through the Cal Grant Program, federal Pell Grant program, and
- 10 Middle Class Scholarship Program.
- 11 (2) The returns and return information that may be disclosed
- 12 pursuant to this section is limited to any information necessary to

1 *make the eligibility determination described in paragraph (1),*
2 *including wages, withholdings, and identifying information.*

3 *(b) This section shall not be construed to supersede the*
4 *requirements and protections in the California Right to Financial*
5 *Privacy Act under Chapter 20 (commencing with Section 7460)*
6 *of Division 7 of Title 1 of the Government Code in obtaining*
7 *information in possession of any financial institution.*

8 *SEC. 2. Section 19585 is added to the Revenue and Taxation*
9 *Code, to read:*

10 *19585. (a) For purposes of this section, “low- or*
11 *moderate-income person” means a person or family of low or*
12 *moderate income, as defined by Section 50093 of the Health and*
13 *Safety Code.*

14 *(b) The Franchise Tax Board may revise the form of the personal*
15 *income tax return to include a space labeled “Postsecondary*
16 *Education Financial Assistance Eligibility” to allow a low- or*
17 *moderate-income person who is the parent or legal guardian of a*
18 *pupil between 16 and 18 years of age, inclusive, and a low- or*
19 *moderate-income person between 18 and 25 years of age, inclusive,*
20 *to designate on the tax return that the Franchise Tax Board may*
21 *disclose to the Student Aid Commission any tax information*
22 *pertinent to determining if a person is eligible for any of the*
23 *following financial assistance programs:*

24 *(1) The Cal-Grant Program.*

25 *(2) The federal Pell Grant program.*

26 *(3) The Middle Class Scholarship Program.*

27 *(c) If the person designates on the tax return that the Franchise*
28 *Tax Board may disclose tax information pursuant to subdivision*
29 *(b), the Franchise Tax Board may release the information to the*
30 *Student Aid Commission in compliance with Section 19548.6.*

31 *(d) The Student Aid Commission may utilize the tax information*
32 *released by the Franchise Tax Board pursuant to subdivision (c)*
33 *to determine if a person is potentially eligible for financial*
34 *assistance through the Cal Grant Program, the federal Pell Grant*
35 *program, or the Middle Class Scholarship Program, and to notify*
36 *the potentially eligible person of the following:*

37 *(1) The person’s potential eligibility for financial assistance*
38 *through the Cal Grant Program, federal Pell Grant program, or*
39 *Middle Class Scholarship Program.*

40 *(2) Local postsecondary educational opportunities.*

1 (3) Any information relevant to postsecondary educational
2 opportunities, including additional financial assistance
3 information, that the Student Aid Commission deems appropriate.

4 SEC. 3. No reimbursement is required by this act pursuant to
5 Section 6 of Article XIII B of the California Constitution because
6 the only costs that may be incurred by a local agency or school
7 district will be incurred because this act creates a new crime or
8 infraction, eliminates a crime or infraction, or changes the penalty
9 for a crime or infraction, within the meaning of Section 17556 of
10 the Government Code, or changes the definition of a crime within
11 the meaning of Section 6 of Article XIII B of the California
12 Constitution.

13 ~~SECTION 1. Section 17004 of the Revenue and Taxation Code~~
14 ~~is amended to read:~~

15 ~~17004. "Taxpayer" includes any individual, fiduciary, estate,~~
16 ~~or trust subject to any tax that is imposed by this part, or any~~
17 ~~partnership.~~